

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1767
OFFERED BY MRS. RAMIREZ OF ILLINOIS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Student Veteran Ben-
3 efit Restoration Act”.

4 SEC. 2. TREATMENT OF EDUCATIONAL INSTITUTIONS

5 FOUND TO HAVE COMMITTED FRAUD.

6 (a) IN GENERAL.—Subchapter III of chapter 36 of
7 title 38, United States Code, is amended by adding at the
8 end the following new section:

**9 “§ 3699C. Treatment of educational institutions found
10 to have committed fraud**

11 “(a) RESTORATION OF ENTITLEMENT.—(1) If the
12 Secretary makes a determination under subsection (b)
13 with respect to an educational institution, the Secretary
14 may determine that any payment of educational assistance
15 to an individual (other than an individual described in
16 paragraph (2)) under chapter 30, 31, 32, 33, or 35 of
17 this title, or chapter 1606 or 1607 of title 10, for the pur-
18 suit of a course or program of education at such edu-

1 cational institution during a period affected by an act or
2 omission that contributed to the determination of the Sec-
3 retary under subsection (b) is not—

4 “(A) charged against any entitlement to edu-
5 cational assistance of the individual concerned; or

6 “(B) counted against the aggregate period for
7 which section 3695 of this title limits the receipt of
8 educational assistance by such individual.

9 “(2) An individual described in this paragraph is an
10 individual whom the Secretary determines participated in
11 an activity that contributed to an act or omission referred
12 to in subsection (b).

13 “(b) DETERMINATION OF FRAUDULENT BEHAV-
14 IOR.—A determination under this subsection is a deter-
15 mination by the Secretary, with respect to an educational
16 institution, that—

17 “(1) after the date that is one year after the
18 date of the enactment of this section, the edu-
19 cational institution committed an act or omission
20 that resulted in the failure of the institution to se-
21 cure an affirmation of approval by the appropriate
22 State approving agency following a risk-based survey
23 under section 3673A of this title;

24 “(2) the Secretary of Education determines,
25 based on a preponderance of the evidence, that at

1 any time before December 31, 2028, the educational
2 institution committed an actionable act or omission
3 under regulations under the authority of the Sec-
4 retary of Education, and as a result, direct loan bor-
5 rowers at such educational institution suffered det-
6 riments of a nature and degree warranting the relief
7 provided by a borrower defense to repayment;

8 “(3) the Attorney General or the Commissioner
9 of the Federal Trade Commission determined, based
10 on a preponderance of the evidence, that at any time
11 before, on, or after the date of the enactment of this
12 section, the educational institution committed an act
13 or omission that constituted fraudulent behavior
14 under regulations under the authority of the Attor-
15 ney General or Commissioner; or

16 “(4) at any time before, on, or after the date
17 of the enactment of this section, a Federal or State
18 civil or criminal investigation into the alleged false,
19 misleading, deceptive, or otherwise unlawful acts or
20 omissions of the educational institution resulted in
21 financial relief to students.

22 “(c) REPAYMENT OF FUNDS; DISAPPROVAL.—(1) As
23 a condition of the approval of a course or program of edu-
24 cation under this chapter, the educational institution of-
25 fering the course or program shall agree that if the Sec-

1 retary determines that the educational institution has
2 committed an act or omission referred to in subsection (b),
3 the educational institution shall repay to the Secretary all
4 amounts of educational assistance received pursuant to
5 the educational assistance programs administered by the
6 Secretary during the period when such act or omission was
7 determined to have occurred.

8 “(2) In the case of an educational institution that the
9 Secretary determines has committed an act or omission
10 referred to in subsection (b), including such an act or
11 omission occurring before the date of the enactment of this
12 section, the Secretary shall disapprove the enrollment of
13 an eligible veteran in any course or program of education
14 offered by the educational institution unless the edu-
15 cational institution repays to the Secretary all amounts
16 of educational assistance received pursuant to the edu-
17 cational assistance programs administered by the Sec-
18 retary during the period when such act or omission was
19 determined to have occurred.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
21 at the beginning of such chapter is amended by adding
22 after the item relating to section 3699B the following new
23 item:

“3699C. Treatment of educational institutions found to have committed fraud.”.

